

September 8, 2006

STENEHJEM STOPS BOGUS POSTER COMPANY

BISMARCK – Attorney General Wayne Stenehjem today issued a Cease & Desist Order against Mandatory Poster Agency, Inc. and Thomas Fata, Steven Fata, and Joseph Fata of Lansing, Michigan, for engaging in fraudulent solicitations to North Dakota businesses. The defendants sell compliance posters, which are available free from governmental agencies, to unsuspecting businesses using scare tactics about potential fines and penalties.

The company's solicitations use an official-looking seal to create the impression that the advertisement is actually an official communication from a government entity. "This company rents a local mail box in each state, often in the capital city, and creates the deceptive impression that it is an official government agency trying to assist the state's businesses," Stenehjem said.

Mandatory Poster does business in North Dakota under the names "The North Dakota Labor Law Poster Service" and "The North Dakota Food Service Compliance Center." "Apparently this company creates a fictitious entity for whatever poster it is peddling in the state at that time," Stenehjem said. Stenehjem's Consumer Protection Division initiated an investigation earlier this year in regard to defendants' "The North Dakota Labor Law Poster Service." The defendants have now engaged in blatantly fraudulent activity including solicitations to North Dakota restaurants with false advertising and misleading statements that such businesses are required to post hand-washing posters at all sinks, or face huge penalties up to \$2,500 a day for failure to do so. North Dakota has no such requirements. Stenehjem noted several other states have taken legal action against Mandatory Poster for its business practices.

"I strongly object to the defendants' attempts to dupe North Dakota businesses. In addition to the Cease & Desist Order, I have directed my Consumer Protection Division to continue its investigation and to bring necessary legal action for injunctive relief, civil penalties, and attorney's fees," Stenehjem said.

According to Parrell Grossman, Director of the Consumer Protection Division, the State anticipates filing a complaint and/or initiating court proceedings soon. "We believe the defendants likely mailed thousands of fraudulent solicitations into North Dakota and engaged in sales that could result in penalties of hundreds of thousands of dollars," Grossman said.

Grossman said that victims should contact the Consumer Protection Division toll free at 1-800-472-2600 with information or to file a complaint.